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A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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May 10, 1988

OF COUNSEL WALLACE R. BENNETT EARL P. STATEN

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TO CALL WRITER DIRECT

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Frank J. Filas Reclamation Engineer State of Utah Mined Land Reclamation Program 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

> RE: Interpace Industries

Dear Frank:

The purpose of this letter is to inform you of the local contractor rates which I have obtained for equipment needed to reclaim mining property owned by Interpace Industries. I have received the following quotations regarding equipment rates, which include an operator and costs:

- Gibbons & Reed Construction, telephone number, 486-2411. had a telephone conversation with this company in April, 1988, and received the following equipment rates: D-8 Dozer - \$103.00 per hour; 3-yard loader - \$59.00 per hour; 7-yard truck - \$42.60 per hour.
- Staker Paving & Construction Company, Inc., telephone number, I contacted Erroll Robinson, at Staker Paving, in April, 1988, and received the following quoted rates for equipment: D-8 Dozer - \$110.00 per hour; 3-yard loader - \$45.00 per hour; 7-yard truck -\$30.00 per hour.
- 3. Hadley and Sons, Ogden, Utah, telephone number, 731-0259. May 9, 1988, Hadley and Sons quoted me the following rates: D-8 Dozer - \$110.00 per hour; 3-yard loader - \$70.00 per hour; 7-yard truck -\$35.00 per hour.

The approximate average rate of the above quotations is as follows: D-8 Dozer - \$108.00; 3-yard loader - \$58.00; 7-yard truck -\$36.00.

RICHARD K. NEBEKER R. WILLIS ORTON RUSSELL C. KEARL

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Frank J. Filas May 10, 1988 Page Two

Based on the above estimates for equipment rates, and your representation that you would accept the calculation of \$1.50 per yard, for material moved on the property, please recalculate the reclamation cost estimate for the Clinton Pit and for the Pleasantview Pit.

I hope this letter will be of assistance to you in approving an amount which is required to reclaim the two pits in question. I appreciate your cooperation in this regard and look forward to discussing these estimates with you.

If you have any questions, please feel free to contact me.

Very truly yours,

CALLISTER, DUNCAN & NEBEKER

Brian W. Burnett

Brian W Burks

BWB:dsf

cc: George Beamer Ronald McFadden

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